



Illinois Department of Transportation

2300 South Dirksen Parkway / Springfield, Illinois / 62764

BDE PROCEDURE MEMORANDUM

NUMBER: 17-05

SUBJECT: Architectural and Engineering Report and Negotiation
Guidelines for Engineering Agreements and Supplements

DATE: June 1, 2005

This memorandum supersedes and replaces BDE Procedure Memorandum 17-04B dated December 1, 2004. This memorandum is being issued to transmit changes in the attached "Architectural and Engineering Report and Negotiation Guidelines for Engineering Agreements and Supplements" to make them conform to ISO 9001 requirements. It reflects the revision of the ISO 9001 form number.

Background

The purpose of this memorandum is to provide guidelines for the districts to conduct negotiations with consulting firms.

Applicability

The districts will be responsible for the negotiating meetings leading to agreement execution for all Division of Highways agreements except the few agreements which are statewide in scope.

Procedures

The department schedules the time, date and location of the negotiation meeting, along with the project description in the Professional Transportation Bulletin. When the Agreements Unit notifies the firm of their selection, they are reminded of the scheduled meeting date. The firm is also notified that if there is a conflict with the meeting date they should contact the district. Also, the Consultant is informed at this time to send into the Agreements Unit the current payroll rates by classification and employee name of the Consultant's transportation staff and any subconsultants, and all potential direct cost information.

The district will inform the Consultant that the current Standard Agreement Provisions for Consultant Services and all forms are available on the department's internet site.

Attached to this memorandum is "Architectural and Engineering Report and Negotiation Guidelines for Engineering Agreements and Supplements." It is essential that the instructions and guidelines contained in this attachment be followed and that the report be fully completed and sent to the Agreements Unit with the proposal package for all prime and supplemental agreements.

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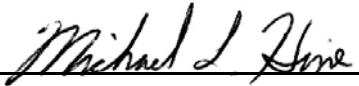
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Items 3, 4, 5, 6 & 7 may be skipped for supplemental agreements. The Consultant must submit to the department current payroll rates for their staff and any subconsultant for supplemental agreements. Failure to do this will cause the department to use old rates on file.

The Agreements Unit will use this report and process the agreement for signature in the usual manner. The attachment may be duplicated as needed for each use.

Engineer of Design and Environment

_____

Attachment



Illinois Department of Transportation

2300 South Dirksen Parkway / Springfield, Illinois / 62764

ARCHITECTURAL AND ENGINEERING REPORT AND NEGOTIATION GUIDELINES FOR ENGINEERING AGREEMENTS AND SUPPLEMENTS

Project Information:

Consultant _____
IDHR # _____
Phase _____
Route _____
Project No. _____
Section _____
County _____
Job No. _____
PTB # _____
Complexity Factor (R) _____

Consultant Information:

Contact Person _____
Phone Number _____
Fax Number _____
Email Address _____
Overnight Carrier _____

Meeting Date(s) _____

The memorandum transmitting this Report should state the district's approval of man-hours, percent of participation, direct cost, and Quality Assurance Plan. An explanation and justification must be given if the negotiated fee is over 10% of the original estimate given to the Selection Committee for a Prime Agreement (Phase I or Phase II of a two-phase Agreement). A completed Consultant Agreement Approval Sheet (CAAS) must also be provided. Additionally, justification and explanation must be given in the CAAS for all supplemental agreements.

Within 3 to 5 business days of the initial negotiation meeting with the district, the consultant has submitted the following to the BDE (by fax or e-mail):

CONSULTANT

- ☐ Payroll by employee name & classification
- ☐ Direct Costs

SUBCONSULTANT(S)

- ☐ Payroll by employee name & classification
- ☐ Direct Costs

Three copies of the items shown below shall be submitted to the Agreements Unit in the Bureau of Design and Environment after negotiations for any prime or supplemental agreement are completed and accepted by the district.

- ☐ District's independent man-hour and direct cost estimate
- ☐ Draft scope of services with bar chart/schedule (previously e-mailed by district to BDE)
- ☐ A/E Report & Negotiation Guidelines for Engineering Agreements & Supplements (BDE 17-05)
- ☐ Minutes of negotiation meeting(s) and attendance roster(s)
- ☐ Cost Estimate of Consulting Services (CECS)

- ☐ Itemized breakdown of direct costs (must match those previously e-mailed by consultant to BDE)
- ☐ Average hourly rates for each item and overall (classification titles must match those previously e-mailed by consultant to BDE) (BDE 2392)
- ☐ Approved QC/QA or Revised QC/QA
- ☐ Consultant Employee Utilization Form (for Prime Agreements only) (BDE 2350)
- ☐ EEO/AA/Title VI Section Form (for Prime Agreements only) (PM 1981)
- ☐ District Consultant Scoping and Negotiation Check Sheet

The Consultant proposes to utilize the following subconsultant(s). The necessary copies of the above items should also be included in the proposal package for any subconsultant.

_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

1. Circulate an Attendance Roster showing names, affiliation, and title.
2. Assign the responsibility of preparing the meeting minutes to the Consultant.

(ITEMS 3-7 MAY BE SKIPPED FOR SUPPLEMENTAL AGREEMENTS)

3. Discuss with the Consultant the Non-Discrimination and EEO provisions in Sections 2.64 and 2.65 of the Standard Agreement Provisions for Consultant Services (SAPCS). Has the Consultant read Sections 2.64 and 2.65 of the SAPCS? ☐ yes or ☐ no. If not, have them do so. Do they agree to comply with the letter and spirit of these provisions? ☐ yes or ☐ no.
4. Review and discuss the forms prepared by the Consultant showing employee utilization (Consultant's Employee Utilization Form) and EEO/AA Form (PM 1981). Have the Consultant include details on EEO in the minutes, such as: hiring and number of additional personnel and their classifications.
5. Is minority and female employee utilization proposed for this project as high proportionally as it is in the overall staff of the firm? ☐ yes or ☐ no

If not as high, discuss _____

6. Attach a completed copy of the "Consultant's Employee Utilization Form" (available on the IDOT website @ www.dot.state.il.us). The District's recommendation on the acceptability of the Consultant's minority and female employee utilization posture as set out in the attached Form and the reason(s) for the recommendation are as follows:

If the recommendation is "posture unacceptable", include in the above the Consultant's reaction toward revising the proposed staffing plan.

7. Does the Consultant have any questions on Sections 1 and 2 of the SAPCS? If you are unable to answer any of the questions, list them here for Central Office response.

-
8. The amount of explanation needed is dependent on the Consultant's past experience with the department. Indicate an "X" in the appropriate box, by the items which you discussed with the Consultant in the meeting:

Section 2.13 – Quality Assurance.

☐

Notify the Consultant if contract is Limited/No Review.

Review the Consultant's Quality Control and Quality Assurance Plan (QC/QA).

The QC/QA must be reviewed and approved by the district.

Tell the Consultant that the QC/QA can be modified ONLY by written acceptance of the District Chief Engineer.

Tell the Consultant hours for QC/QA should be broken out in cost estimate and invoice when billed.

The QC/QA should be reviewed during supplemental agreement negotiations and modified if applicable. Attached is a copy of the approved/revised QC/QA to this report.

Phase I and II Only

The Consultant will be required to certify compliance with the approved QC/QA plan. The certification must be sent to the district at each milestone submittal (preliminary plans, draft reports, soil report, drainage study, etc.).

The certification can be in a form of an additional statement in the transmittal letter when submitting the preliminary plans or draft report to the department. Final certification shall be on the form prescribed by the department.

Phase III Only

The consultant will be required to certify compliance with the approved QC/QA plan. The certification must be sent to the district at the 50% and 99% of the construction contract completion in conjunction with normal documentation reviews.

The certification can be in a form of an additional statement in the transmittal letter to the department. Final certification shall be on the form prescribed by the department.

Section 2.21 – Completion Date.

☐

Phase I and II Only

The anticipated date of completion and overall review time must be determined and discussed. Explain that the purpose of the completion date is to establish a basis for possible renegotiation of remaining fee if the department delays the project due to "no fault of Consultant". The agreed anticipated date of completion is

_____, based upon a starting date of _____.

The department's review times are as follows:

- 30-45 Calendar days if letting is scheduled within 6 months.
- 45-60 Calendar days if letting is scheduled within the 5-year program.
- 90 Calendar days if the letting is NOT scheduled within the 5 year program.

Phase III Only

The tentative letting date is _____, the estimated start date is _____, and the estimated completion date is _____ based upon the tentative construction schedule. The estimated construction cost is \$ _____.

Discuss with the Consultant if the district will request the use of a Start-Up Agreement (**State Funds ONLY**). ☐ yes or ☐ no. If yes, emphasize the use of a Start-Up Agreement will not be approved unless the prime Consultant's and all subconsultant's payroll rate/classification and direct cost information has been approved. Discuss with the Consultant that the authorization date of the Start-up agreement will be the Start date for the project and should be used for escalations and extensions.

Supplemental Agreements:

Starting Date for work on this supplemental agreement _____

Completion date for the work on this supplemental agreement _____

Will the proposed supplemental agreement change the project schedule? ☐ yes ☐ no.

If yes, the agreed anticipated completion date for the project is _____

Section 2.24 – Subconsulted Work.

☐

Point out that any firm to be used for subconsulted work must be prequalified and approved by the department. A draft of the subconsultant agreement must be reviewed and approved to execution and authorization of the work. The department will not have to review the draft agreement if the Consultant is planning to use the standard subconsultant agreement available on the IDOT website.

Section 2.26 – Accuracy of Work.

☐

Point out that the Standard Agreement Provisions of Consultant Services stipulates the following relative to errors, omissions, and/or negligent acts.

The Consultant shall be responsible for the accuracy of the work and shall promptly make necessary revisions or corrections resulting from his/her errors, omissions, or negligent acts without additional compensation.

The Consultant shall respond to the department's notice of any errors and/or omissions within 24 hours. Notification shall be by telephone, followed by Certified Mail. The Consultant may be required to visit the project site if directed by the department.

The Consultant may be required when making their corrections to send personnel to the appropriate office (District or Central Bureau).

The Consultant shall be responsible for any damages incurred as a result of his/her errors, omissions and/or negligent acts and for any losses or costs to repair or remedy construction incurred as a result of his/her errors, omissions, and/or negligent acts according to the Department's Policy on consultant errors and omissions.

The Consultant should be aware the department will not check such items as end areas on cross sections, detailed dimensions, and calculations except on a random basis.

Section 2.27 – Publications.

☐

Does the Consultant have all BDE Procedural Memoranda and Informational Memoranda and has the Consultant been receiving the new series of BDE Memoranda? The District should contact the Policy and Procedures Section in the Bureau of Design and Environment to make arrangements for a Consultant to receive a set of memoranda if the firm needs a current set.

The BDE Procedure and Informational Memoranda have been furnished by the District. (PE I only)

Phase III Only

Does the consultant also have all Construction Memoranda?

The District should contact the Bureau of Construction to make arrangements for a consultant to receive a set of the memoranda if the firm needs a current set.

Section 2.29 – Revision of Work.

☐

Departmental approval is required prior to doing the work. The agreement will provide the basis of payment and authorization of additional work.

Section 2.69 – Additional Compensation.

☐

Emphasize the importance of the provisions of this Section which require the Consultant to notify the department before they begin work for which they propose to claim an additional fee.

Section 2.81 – Partial Payments/Invoices.

☐

Inform the Consultant that their work progress will be monitored and that, if at any time their billing costs on an actual cost agreement exceeds the upper limit of compensation multiplied by the approved percentage of completion shown on the progress reports, the firm's total partial payments shall be limited to this amount. The Liaison Engineer will confer promptly with the Consultant to rectify the costs over running the progress of work.

Inform the Consultant that invoices are available on the department's Internet site. Discuss which form should be used and how it should be filled out. Discuss the backup information that the Consultant will be required to submit with the invoice.

Section 2.85 – Adjustments to Compensation.

☐

For an actual cost agreement with a duration of 18 months or less, the Consultant should review the work completed at 50%, 75%, and 90% of the upper limit of compensation and furnish the department the cost of services still remaining. If the cost of services still remaining at the 75% and 90% completed exceed the upper limit, the Consultant shall immediately notify the department.

When duration of an actual cost agreement exceeds 18 months, the Consultant shall review the work accomplished and make an itemized estimate showing the cost incurred and cost of the services still required to complete their obligation on a quarterly basis and the result of the review shall be submitted to the department 25 days following March 31, June 30, September 30 and December 31 of each calendar year. In addition, the Consultant shall make such a review and submit said report when the cost incurred approaches 90% of the upper limit of compensation.

Section 2.86b(3) – Reimbursements.



Salaries of principals and other salaried personnel: When work is to be performed by a principal or another employee which is normally performed by lower rated employees, the estimates and billings must be based on reasonable hourly rates as would be paid to employees hired to perform the specific task in question.

The maximum total compensation for partners, principals and employees is \$60.00 per hour (\$124,800 annually) that may be charged directly to the contract. Compensation that may be charged indirectly to the overhead is subject to the cost criteria of the Federal Acquisition Regulations less direct compensation.

9. Be sure the firm's name, address and the project description on page 1 of the agreement is accurate. The geographic limits of the project, including limits of work on crossing routes, is the primary emphasis here because the scope of work within those limits is described in Section 2 of the agreement. The applicable standard scope section(s) of the SAPCS must be read through, in conjunction with the modifications contained in the specific agreement, in order to fully review the scope of work. The scope should clearly provide for all the services needed for any future part(s), phases and/or section(s).
10. E-mail an approved copy of all prime and supplemental scope of services and bar chart to the Agreements Unit Chief. For supplemental agreements, is there a project schedule change? ☐ yes or ☐ no. If yes, include dates in Section III and a revised bar chart as part of the supplemental agreement which is e-mailed.

Phase III Only

In lieu of a bar chart, the estimated completion date is _____

11. **Prime Agreement:** Has the Consultant submitted the required payroll rate/classification and the direct cost information to Bureau of Design and Environment? ☐ yes or ☐ no. Have all subconsultants submitted the required payroll rate/classification and direct cost information to Bureau of Design and Environment? ☐ yes or ☐ no. If no, explain reasons:

Supplemental Agreement: Is the Consultant proposing to utilize payroll rate/classifications and direct cost information from the previously approved agreement? ☐ yes or ☐ no. If no, has the consultant submitted new rates to BDE? ☐ yes or ☐ no.
(This also applies for all subconsultants).

Payroll Classification Descriptions: Has the Consultant provided descriptions of their payroll classifications to you? ☐ yes or ☐ no.
If no, please inform them that they are required to submit them to you prior to your negotiation meeting.
(This also applies for all subconsultants.)

12. Inform the Consultant a man-hour summary breakdown by prequalification area is required. These figures will be used to compute the percentage of work effort per category. The percentages may be adjusted during the life of the project based upon any supplemental agreements. The district must review and concur in the man-hour breakdown before submittal to Bureau of Design and Environment. The breakdown is summarized as follows:

Work Category	Percent*
_____	_____
_____	_____
_____	_____

*For supplemental agreements, the percent includes the prime and previous supplements.

13. Inform the Consultant that evaluations will be performed upon the submittal of the deliverables listed below:

Evaluations will be sent to the President of the firm

President _____

Address _____

The prime Consultant will be evaluated in the categories listed in item 12 above.

The subconsultant(s) will be evaluated as follows

Subconsultants	Prequalification Category	%
_____	_____	_____
_____	_____	_____
_____	_____	_____

Furnish the Consultant (subconsultant) with copies of the evaluation forms to be used.

Was the specific evaluation criteria discussed with the Prime Consultant and subconsultants? ☐ yes or ☐ no. If no, explain why.

(Item 14 is not applicable for Phase III)

14. If structure plans are included, the District is required to obtain the Bureau of Bridges and Structures (BBS) input for the meeting. The Agreement must show who will check the shop drawings and show the structure numbers.

<u>Structure Number</u>	<u>County</u>	<u>Letting Date</u>	<u>Consultant</u>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

*Are the man-hours within the limits established by BBS? ☐ yes or ☐ no. If no, explain the differences and why _____

15. Does the staffing plan agree with the plan set forth in the Statement of Interest? ☐ yes or ☐ no. If no, describe the differences and why. Has this been discussed with the proper Central Bureau/Section? _____

16. It is recommended that the basis of payment for this work should be _____
Reason(s) _____

17. If the negotiated fee for this work is over 10% of the district estimate given to the Selection Committee, a detailed explanation and justification must be given for the additional work or overrun, and a Consultant Agreement Approval Sheet (CAAS) submitted.

18. Funding for this contract will be as follows:

<u>Fiscal Year</u>	<u>Amount</u>	<u>Program Code Number(s)</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

The estimated fee for work to be negotiated at a later date:

Phase I \$ _____ Phase II \$ _____

19. If PE is not included in the annual program, describe arrangements being made to have it added (attach correspondence):

(Item 20 is not applicable for Phase III)

20. Indicate status of design approval below. Show dates of receipt of design approval. If you use an anticipated date, you must notify the Agreements Unit once design approval has been received, or if the anticipated design approval date changes.

<u>Route</u>	<u>Section</u>	<u>Design Approval Date</u>	<u>Structure No. (If Applicable)</u>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

Risk Management. Risk Management.

Will it be necessary to proceed with construction plan preparation prior to design approval?

☐ yes or ☐ no. If yes, state why.

21. The Consultant was advised that the Complexity Factor (R) of _____ will be used in

For Cost Plus Fixed Fee Contracts.

Determination of the fixed fee for cost plus fixed fee contracts is:

$$\text{Fixed fee} = 0.145 [\text{DL} + \text{R}(\text{DL}) + \text{OH}(\text{DL}) + \text{DC}]$$

Where: DL = Direct Labor
DC = In House Direct Cost
R = Complexity Factor
OH = Overhead Rate (Current SEFC)

22. The Consultant should be given the necessary forms for preparation of estimates and cost. Forms are available on the IDOT website.

(ITEM 23 MAY BE SKIPPED FOR DLM METHOD OF COMPENSATION).

23. The Consultant should prepare the "Cost Estimate of Consultant Services" using the additives submitted with their current "Statement of Experience and Financial Condition".

24. State and Federal regulations require a pre-agreement audit. If this audit discloses costs not in accordance with those used, an adjustment in the estimate will be made by the Agreements Unit and the Consultant will be informed of this.

25. Provide the address where checks to the Consultant are to be mailed:

Address: _____
City: _____ State: _____ Zip: _____

Submitted by _____
Date _____
Phone Number _____